(b) Closure of textile mills can be attributed to many factors including obsolete technology, increase in cost of inputs, difficulties in getting timely and adequate credit, mismanagement, recessionary conditions, and competition from decentralised powerloom sector producing fabrics at competitive price etc.

(c) The Government of India has enacted the Sick Industrial Companies (Special Provisions) Act, 1985 and established the Board for Industrial and Financial Reconstruction (BIFR) with a view to timely detection of sick & potentially sick companies and for the speedy determination of preventive ameliorative and remedial measures which need to be taken in respect of such companies. The rehabilitation scheme sanctioned by BIFR include various measures like restructuring the capital, induction of fresh funds by the promoters, merger with the other companies change of management, provision for working capital and term loans by banks and financial institutions.

Out of the 9 cotton / man-made fibre textile mills (Non-SSI) closed during the last five years, one i.e. Punjab Spinning & Weaving Mill is registered with BIFR as on 31-10-2001. The status of this mills under BIFR is Winding UP recommended under section 20(1) of SICA, 1985.

Sale of surplus land under the rehabilitation proposals of NTC

746. SHRI C.P. THIRUNAVUKKARASU: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have fixed any time for sale of surplus lands identified and assets enunciated in the rehabilitation proposals of the sick textile units under National Textile Corporation;

(b) if so, the details thereof;

(c) if not, the reasons there-for;

(d) the number of sick units decided to be folded up through disinvestments of assets; and

(e) the estimated amount to be generated by the sale of assets?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR): (a) to (c) The disposal of surplus land of NTC mills is part of rehabilitation schemes for eight sick subsidiaries of NTC. After DRS is approved by BIFR, action will be taken as per directions of BIFR.

(d) Number of sick units to be closed would be according to Rehabilitation Schemes sanctioned by BIFR.

(e) Amount estimated to be generated through sale of the assets would be finalised in the Rehabilitation Scheme of BIRF.

Revival package for NTC mills

†747. SHRI VIJAY SINGH YADAV: Will the Minister of TEXTILES be pleased to state:

(a) whether the revival package of the National Textile Corporation mills has got delayed due to many constraints;

(b) if so, whether the Group of Ministers had already submitted their report in this regard.

(c) if so, the details of the recommendations made by the Group of Ministers;

(d) whether the Textiles Research Association has been asked to prepare the list of those mills of the National Textile Corporation which are to be revived or to be closed; and

(e) time by when the final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR): (a) Yes, Sir. Constraints like mobilization of resources through sale of surplus lands involving concurrence of State Governments, arriving at agreement with secured creditors for unencumbering the assets etc. delayed the finalisation of revival plans for the 8 sick subsidiaries of NTC.

(b) and (c) Government considered these at various levels including that of Group of Ministers and decided that maximum number of operationally viable mills may be revived and those, which are not revivable, may be closed after protecting workers' interest by giving attractive VRS to those effected. Government have communicated this approach to Operating Agency/BIFR and have also given 'in principle' commitment of certain financial sacrifices for revival of these companies.

(d) Textile Research Associations have studied techno-economic viability of the NTC mills and submitted Reports to Operating Agencies (OAs) of BIFR (IDBI & IFCI).

†Original notice of the Question was received in Hindi.